GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:3883
ANSWERED ON:17.08.2001
DEMERGING OF ITDC
IQBAL AHMED SARADGI

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Government have recently taken a decision to demerge India Tourism Development Corporation into a number of companies, each representing a separate property owned by the public sector company;

(b) if so, whether the new entities, acting as shell companies, will then be sold to bidders individually or collectively;

(c) if so, the details thereof; and

(d) the time by which a final decision is likely to be taken in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

a) The Government has decided that the restructuring / disinvestment plan in respect of the hotel properties of India Tourism Development Corporation Limited (ITDC) would be as under: -

(i) The hotel properties proposed to be given on lease-cum-management contract basis, viz., Hotel Ashok Delhi, Hotel Samrat Delhi, Hotel Ashok Bangalore and Lalitha Mahal Palace Hotel, Mysore would be demerged into a separate company with the existing shareholding pattern as that of ITDC.

(ii) 22 hotel properties would be demerged into separate shell companies for the limited purpose of disinvestment of 100% Government equity. Each of the demerged companies would have a shadow shareholding pattern as that of ITDC i.e. Government (89.97%), the Indian Hotels Company Limited (around 10%) and the employees & others (around 0.03%).Each of these properties would be transferred to the shell companies after a buyer for the particular property is selected through the disinvestment process.

(b)&(c) The properties under lease-cum-management contract are proposed to be given separately to bidders. It is envisaged that all the properties proposed for 100% disinvestment would also be sold individually.

(d) It is not possible to indicate the time by which the process of disinvestment is likely to be completed.